Sudy 6x (R)

Dear Senator Chiles:

Thank you for your letter of May 22 concerning the possibility of selling U.S. butter to the Soviet Union.

A Department of Agriculture proposal to export surplus butter, rapidly accumulating in Commodity Credit Corporation inventories, is under review by the Administration. As the U.S. domestic support price for butter is substantially above the world price, other supplying countries are concerned that the U.S. would be subsidizing its export sales. While direct government-to-government sales of butter to the U.S.S.R. or any other country are not contemplated, it is possible that a significant portion of any U.S. butter sold to traders under such a program could be purchased by the U.S.S.R. No final decision will be made on the proposal until this and other trade and foreign policy questions concerning the proposed sale have been thoroughly reviewed.

Yours sincerely,

Richard Fairbanks
Assistant Secretary for
Congressional Relations

The Honorable
Lawton Chiles,
United States Senate.

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY _____ DATE 4/11/84
RDS ☐ or XDS ☐ EXT. DATE _____
TS AUTH. _____ REASON(S) _____
ENDORSE EXISTING MARKINGS
DECLASSIFIED ☐ RELEASABLE ☐
RELEASE DENIED ☐
FA or FOI EXEMPTIONS _____

Drafted: EB/ORF/OFP/FPD:GDMiller:ml 6/8/81 ext. 20646
Clearances: EUR/SOV-HGHamilton
EB/ORF/OFP-DFSmith
EB-JTarrant
EB/TA-MHarrison
EB/ORF-MCalingaert
H:TTowell